AMERICAN MAJORITY

Your City Government in Minnesota

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Introduction

When our nation began to assert its independence, the ideas that spurred it came from active citizens in the communities, the local leaders, and lone voices in the colonial legislatures. After America began to thrive as an independent nation, Alexis de Tocqueville observed that America's strength lay at the state and local level. He wrote in *Democracy in America* that this local vibrancy was fundamental to liberty in America.

We must understand that national change begins at the state and local level. The fundamentals of society are found within the families in each community; the communities become the source of ideas and movements, and are the basic unit of government. The movement of society and politics is from the "ground" up, and that is where liberty begins.

The policy that is enumerated by city government influences the daily life

of citizens in greater ways than most imagine. It is imperative that these offices are taken seriously as the competency of local government is integral to our liberty, freedom, and prosperity. In the United States, there are close to 40,000 municipalities or towns. Each has its own government structure, which adds up to an extensive and complicated network of local government.[1]

Thus, according to the Bureau of Economic Analysis, in 2007 Minnesota's state and local governments employed 364,339 people (full and part time), or about 10 percent of the state labor force.[2] Of the total, Minnesota state government employed 89,892 people (this includes higher-education employees) and local governments employed 274,447 people. In the aggregate, they were paid $18,684,400 in total compensation. Subsequently Minnesota ranks amongst the highest per-capita tax burdens in the nation. At the current rate, Minnesota will collect and spend about $6,000 per person, not per taxpayer, in Minnesota each year.

The goal of local government is not to be a burden on taxpayers and businesses. Over the years, local government has reached far beyond its role of providing for the health and safety of the community. Many cities have taken on projects such as running businesses, sports complexes, and parks. While these businesses and services are positive, they tend to expand government and may not always be the most beneficial to the community when they are run by the government. Municipal government varies in form, but the focus of a city council or commission is to enact policy that furthers the purpose of government and to review the budget. City councils should create policy that focuses on a positive and prosperous direction for the city.

True and lasting reform must be achieved in local governments in order for it to be an effective change that reaches into all levels of government in each state. If you truly have a passion for your community and its economic well being, become an active and informed participant as a city council member. Utilize the information provided in this manual to learn more about this system of government, how to make concrete policy decisions as a city council member, and how to successfully induce positive change.

For Liberty,

Ned Ryun
President
American Majority

What is a City Council?

Your city council and its policy decisions have some of the most significant and direct effects on your daily life. City budgets, community regulations, transportation projects, tax rates, appropriation of funds, and project proposals all go through the hands of city council members.

When our Founding Fathers first considered what type of government to institute, they determined that the best kind was local and accountable to the people. Municipal government is a direct result of that philosophy. City councils are the policy-making arm of local government, controlling both day-to-day operations and long-term city planning.

Local governments are regulated by the states; however, local government structure and operation varies substantially from city to city, often depending on size. In Minnesota, communities over 2,000 people are generally considered "cities" and thus may

adopt their own charters to determine the structure of their municipal governments.

Composition

Typically city councils in communities considered "cities" usually have five to eight members. There are approximately 855 cities in Minnesota; they have historically dominant roles in their county or region and generally have more than 2,000 residents. Communities designated as "towns" generally have 1,000 people, often unincorporated, and typically are referred to as Townships. There are approximately 1,786 townships in Minnesota.

- City council members are generally elected to a four-year term. Many city councils stagger the terms of their members so that half of the council members face reelection during each campaign cycle.
- Councils are legislative in nature, with members proposing, debating, and voting on legislation for the city.
- Councils regulate revenues and expenditures, incur debt, and approve the final budgets for the city.
- Councils are responsible for the introduction of legislation generated by individual council members and by the administrative branch of city government.

Council Membership Systems

Ward

Ward elections select one or two council members from a geographical section of the city, commonly referred to as wards. Depending on city structure, if there are two from each ward then their election years are typically stratified. Some benefits to district elections include:

- Ward elections give a particular geographic base a better chance of being represented on the city council.
- Ward council members are more sensitive to the issues in their specific communities.

However, councils elected by ward may lack a broader constituency or community perspective.

At-Large

All at-large members are elected to serve the population of the city as a whole. Some benefits to having council members elected by the entire city include:

- Council members in an at-large system may find it easier to concern themselves with the problems of the whole community, not just their ward or district.
- Candidates can come from any part of the municipality and there is a larger

pool of potential candidates to choose from.

However, councils elected at-large sometimes must deal with the fact that not all wards are represented equally.

Mixed-System
Some cities combine ward and at-large representation. In this case, there is typically one at-large seat on the council that will be occupied by a member from the community that is not a representative of a ward.

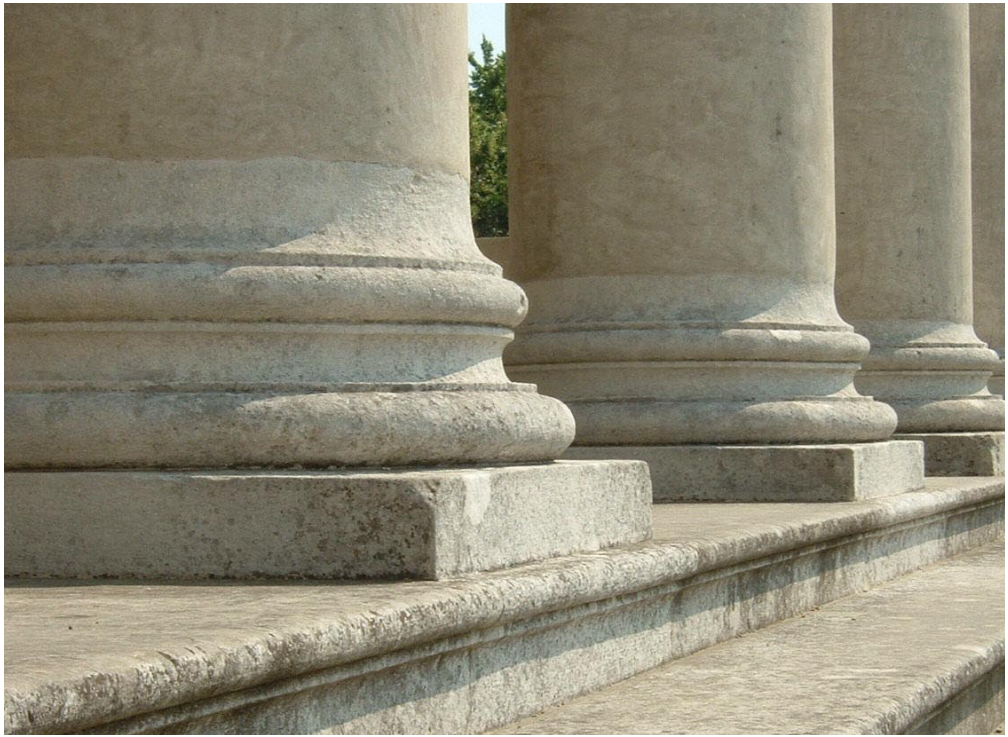
Legal Qualifications

Candidates for city council must be registered voters in the municipality and cannot be an employee of the board. If council members are elected to represent a ward, they must live in that ward for which they are seeking office.

Typically city council members serve staggered terms that are either 2 or 4 year terms in order for the entire council not to be up for election during the same year. Municipal elections for most cities are held the first Tuesday in November; however in townships, elections may exist in the early spring of odd-numbered years.

Lastly, though this date will vary, in 2009 most cities across Minnesota will hold their city council elections on the first Tuesday in November, after the first Monday in November (November 3rd). However, a primary election must be conducted if the number of individuals running is more than double the amount of at large positions available. For a primary individuals file for the same position during the filing window that opens 70 days prior to the election and ends 56 days prior to the election (August 25-September 8th, 2009). Minnesota cities have their primary set for the first Tuesday after the second Monday in September (September 15th, 2009).

Please note, though, that these dates are not uniform across all cities, and contacting the county election board to find out the exact dates is imperative.



How A City Council Works: Structure

There are two basic types of Minnesota cities: statutory cities, which operate primarily under Chapter 412 of the Minnesota Statutes; and home rule charter cities, which operate under a local charter.

There are three common plans of statutory city government in Minnesota:

- Standard Plan Statutory City
- Plan A Statutory City
- Plan B Statutory City

Each type has its own structure and methods.

- **Standard Plan statutory city**
  Standard Plan cities operate with a weak mayor-council. The Standard Plan city council consists of the elected mayor, an elected city clerk, and three or five elected council members. The treasurer is an elected position, but not a member of the council. The clerk and treasurer

positions may be combined into one elected position.

- **Plan A statutory city**
  Cities using the Plan A form of organization are the most common type of city in our state. Plan A cities operate with a weak mayor-council. The Plan A city council consists of an elected mayor and four or six elected council members. The city clerk and treasurer are appointed offices, neither positions are members of the council. The clerk and treasurer positions may be combined into one appointed position.

- **Plan B statutory city**
  Any statutory city with a population over 1,000 may adopt the Plan B form. The Plan B form of government is also known as the council-manager plan. It consists of the elected mayor, four or six elected council members, and an appointed city manager. Although the council retains legislative and policy-making authority, administrative responsibilities (such as hiring and firing city employees) are delegated to the city manager.

Departments Within a City

The city council exercises oversight and financial control over several departments and offices, some of which are listed below.

Police Department: Minnesota police departments vary in size according to the size and needs of the city. Cities such as Minnetonka employ a uniformed force of 58 officers and 22 civilian employees. Cities such as Albert Lea are staffed by 130 Police Officers and 48 civilian personnel.

Fire Department: Like police departments, the size and composition of fire departments varies by the size of the city. The Minneapolis Fire Department has 19 fire stations and 414 career firefighters, while the city of Brainerd has 6 employees at 30 volunteers with one central location.

Department of Public Works:
The Department of Public Works is responsible for services such as clearing and cleaning streets, coordinating trash collection, managing the sewage system,

and controlling street conditions during snow or ice storms.

Building Department: The Building Department oversees and administers building plans, codes, permits, inspections; and in most cities necessary construction and engineering projects within the city limits.

Clerk: City Clerks are responsible for billing services, handling city payroll, receiving and distributing city funds, and handling the minutes, ordinances, and resolutions of the city council or commission.

Assessor: City Assessors are responsible for assessing the value of residential and commercial property within the city. Most cities use either a private assessor or the county assessor unless they feel the need to employ a city assessor. For example, Minneapolis has its own City Assessor.

Grants Administrator: City Grant Administrators are responsible for identifying and developing relationships with funding sources such as departments within the city and agencies at the state or federal level.

City Attorney: The City Attorney is responsible for representing the city in legal matters. The composition of the city attorney's office varies between cities.

City-Run Businesses: Cities throughout Minnesota operate a variety of venues, including convention centers, golf courses, museums, community centers, auditoriums, airports, and libraries.

Market Value Homestead Credit (MVHC): Some cities in Minnesota offer these credits to finance development in under-developed areas. The MVHC is not seen as aid, it doesn't represent dollars in addition to what the city has levied. However, it does lower the amount levied by the city. The reimbursement makes up part of a city's levy. The credit to homeowners reduces a city's property tax receipts by the amount of the credit allocated to the city. This means the city will receive less than its certified tax levy from taxpayers. The state makes up the difference by reimbursing the city for the portion of credit received by property owners. The combination of after-credit tax receipts and the MVHC money should equal the city's certified levy. For most cities in Minnesota, up to 15 percent of the city's levy is paid by the state through the MVHC reimbursement.[3] The state may make up the difference but the money is still coming from your taxes.

Tax Abatements: Tax abatements are tax-exempt bonds offered to manufacturers, multi-family rental housing, and sometimes to waste disposal, power co-generation, airport facilities, and construction projects.

How City Councils Work: The Rules and Terms

City councils use a form of Robert's Rules of Order. While these rules may seem complicated at first, most members find that they feel comfortable with the procedures within a short amount of time. These rules allow the council to conduct business in an orderly and efficient manner and encourage geniality between members.

When councils meet, members are presented with an **Agenda**, generally prepared by the clerk. The agenda contains the issues to be discussed and voted on at that meeting, any general business to be conducted, and special votes that may be required. Sometimes a **Consent Agenda** will be prepared as well, containing non-controversial issues that may be approved through a single motion by the council. After the council meeting, the **Minutes** are recorded, usually by the city clerk. The minutes list actions taken, members present, and decisions made at the meeting.

There are several different types of council meetings, some of which are described below.

- **Action Sessions** are council sessions in which members vote on policy proposals or resolutions.
- **Committee of the Whole** sessions, in which each member of the council is counted as a member of the committee, allows council members to discuss and debate bills, questions, and resolutions without taking action.
- **Executive Sessions** are entered into by council members to discuss personnel or legal issues. These sessions are closed to the public and are highly confidential. No votes can be taken in executive session.
- **Work Sessions** are meetings of the council to draft or amend legislation or to discuss propositions. No action can be taken during work sessions.
- **Public Hearings** are held on significant or controversial issues, or when required by law, to allow members of the community to give their testimony. Public hearings are generally announced in a press statement or news conference and may be held in a series, with several evenings devoted to a particular subject.

Quorum—a minimum number of council members who must be present—is required to hold council meetings. Cities set the number of council members who must be present and if there is no quorum, then there can be no meeting.

Just as there are several types of council meetings, there are several forms of policy that city councils can pass. Councils pass **Ordinances** dealing with general welfare, public safety, health, and zoning. Ordinances passed by city councils can be challenged in court if they are believed to be in conflict with the city charter or state law. City councils adopt **Resolutions**, which are essentially written motions. Sometimes councils will adopt a resolution for ceremonial purposes; other times, a resolution carries more weight. If neither an ordinance nor a resolution is sufficient to the purpose, city councils will adopt **Charters** when extraordinary conditions create needs that general legislation cannot adequately address. Councils can **Amend** any proposed policy by inserting, changing, or deleting words or paragraphs, or by making substitutions.

To maintain order and cordiality at council meetings, each member of the council should **Address the Chair** (the mayor or chairperson of the council) and wait to be acknowledged before speaking. During a meeting, when a **Main Motion** is made, it directs the council to the next item on the agenda. This helps the council stay on-task during a meeting.

When the time arrives to vote on an issue, the mayor or chairperson of the council will **Put the Question.** At that time, all in favor of the issue respond by saying "aye" and those opposed by saying "no." Following the vote, the mayor or

chairperson of the council will **State the Result**, generally by saying, "The ayes have it; the motion carries," or "The no's have it; the motion is not carried." Sometimes the council may choose to **Divide the Question**, dividing a motion into two or more individual parts, but each must be able to stand on its own.

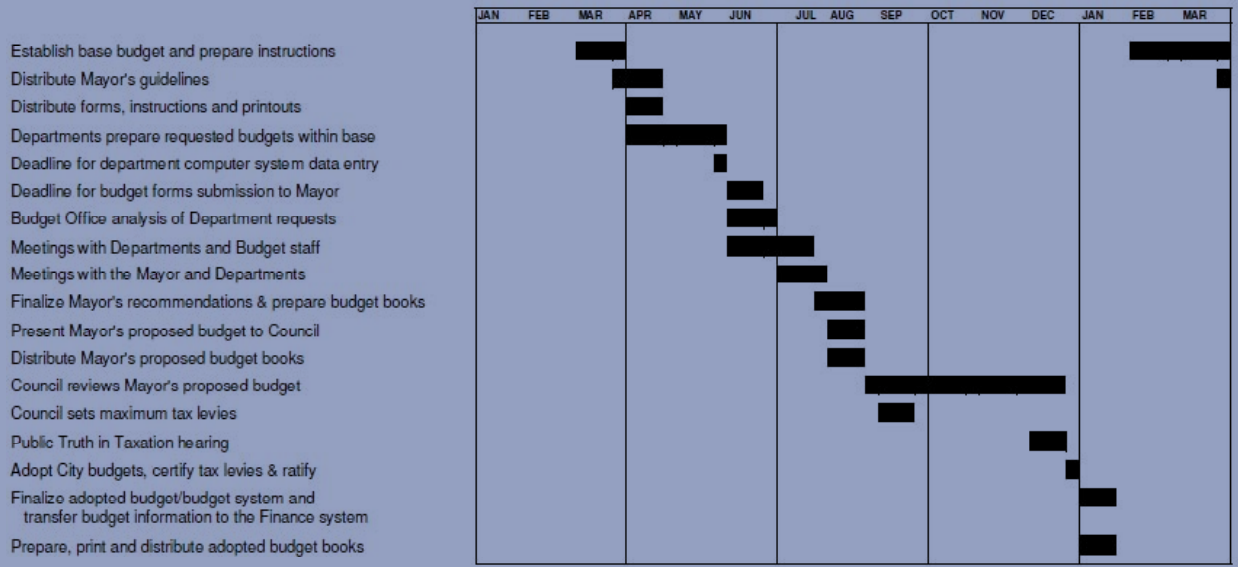
The number and names of city council **Committees** vary between cities, but all committees have the same basic responsibilities to handle the policy-making process, draft bills, review and amend proposed resolutions, and hold hearings. Councils can **Refer to Committee**, sending a question or resolution to a specific committee for consideration; sometimes the committee is already standing and other times a committee must be created to handle an issue if it is of great importance or size. Rather than referring a question or resolution to committee, a council will **Postpone** it either to a certain time or indefinitely. If a council postpones a motion or agenda item to a specific date in the future, it allows members to gather more information about the subject or to have more debate over the proposal. If the item is postponed indefinitely, it is halted for the rest of the session.

The Budget Process

Budgets and financial proceedings vary greatly among cities. Most city budgets are long, convoluted, and difficult for anyone who is not an accountant to understand. However, preparing and adopting the municipal budget is perhaps the most significant responsibility for city council members. Every budget establishes goals and priorities for the future of the city as well as current fiscal policy. The budget process is a great opportunity to evaluate the overall effectiveness of city projects and services.

The budget process usually begins more than a year in advance of the next proposed fiscal year. Newly elected city council members are expected to immediately engage in budget proceedings and understand what is being done. Below is the chart which describes St. Paul's financial planning budget process for their Fiscal Year 2008-2009.[4]

CITY OF SAINT PAUL
BUDGET CYCLE



Each municipality has a timeline that it follows throughout the year and that best fits its process and is in accordance with state laws. Through the Truth and Taxation Law cities are instructed when they have to notify citizens of the proposed budget and the maximum levy tax increase among other things.

Budget Analysis

The creation and adoption of the budget is a critical responsibility of the city council. Careful budget analysis holds elected officials accountable to the community for their service. The budget is key in analyzing future policy steps toward government efficiency.

Strategy for Understanding and Unraveling Local Fiscal Policy

When analyzing a budget, make sure you have a clear idea of what you are looking for. It is imperative that the elected officials voting on the budget *understand what it says.* Even though budgets are often long and convoluted, they all have the same basic elements. Breaking down the budget into smaller sections helps to clarify the big picture.

First, look at the overview, or executive summary. This should provide a general breakdown and synopsis. Use this section to make some preliminary observations about where money comes from and where

it goes. This section of the budget should also give a graph or columns that outline the previous years' budget. Outline the city goals for the upcoming fiscal year and what direction the city plans to go in the next few years. Remember, the budget is a great indication of a city's spending habits and fiscal policy.

Learning some important financial terms will be helpful in your analysis:

- **Ad valorem**- a major source of municipal revenue, the actual property tax determined from the assessed valuation of the property.
- **Assessed valuation**- property value officially determined by the municipality for taxing purposes.
- **Budget v. Actual** (revenues and expenses)- the proposed budget is initially approved by the council but actual expenditures, revenues, or "full-time equivalents" (FTEs) may vary from the budgeted figures.
- **CIP**- "Capital Improvements Program" forecasts the funding of certain projects for the city over a five-year plan. CIPs are a preemptive allocation of funds for certain major projects, but can be altered as more information is available about the actual operating budget and priorities.
- **Departments**- each has its own detailed budget plans and proposals to submit. In the final budget, departments are frequently noted by numbers such as 200, 300, 400, etc.
- **Expenditures**- expenses or money that is spent from the budget fund.
- **Five-year comparison**- portion of the budget that shows the actual budgets from previous years for a cross-section comparison.
- **FTE**- "Full time equivalent" or the number of employee positions, where each part-time position is counted as a fraction of a full-time position. For example, if an employee works 20 hours a week year round, they are counted as 0.5 FTE, but if they work 40 hours a week year round, they are counted as 1 FTE.
- **General fund**- the principle operating fund of every city. With some exceptions, the general fund can be used for any operating purposes.
- **Recommendations**- often found in the overview or executive summary, recommendations are generally made by the mayor or city manager and are consistent with the budget guidelines, priorities, and highlights.
- **Revenues**- the amount of money received by a municipality from any source or mechanism.

As a city council member, you may want to establish or set your own guidelines to submit to other council members. Budget guidelines should be in the best interest of the taxpayers and promote good fiscal policy for the city.

A council member can have a great deal of influence on local fiscal policy, so it is important to take the right steps to increase prosperity. Part of unraveling

current fiscal policy is breaking down the budget into main sections, which include:

- The current budget guidelines (including highlights, priorities, and issues)
- Budget overview or executive summary (Total Funds, Total Revenues, Total Expenditures)
- Previous years' (any listed) comparison
- Departments (Employment, Funds, Revenues, and Expenditures)
- Past fiscal years' budget proposals
- The most recent proposed changes or additions

Make notes as you read through each segment and organize the information in a way that makes sense to you—it will be much easier to get a solid understanding of the budget. On many occasions, groups such as the local chamber of commerce or state-based policy institutes will have valuable information, resources, and suggestions to help city council members make informed decisions.

Some guiding principles to consider during initial budget procedures and approval:

- Keep any rate or budget increases to the rate of inflation only.
- Minimize tax increases, or even cut taxes.
- Consider additional hires only when completely necessary.

Also, begin attending city council meetings several months in advance of running for city council. Attending meetings will provide opportunities for networking and developing working relationships with the current members. Current council members and staff are a great resource, but the meeting content will also give you significant insight and knowledge of your city's finances and other issues.

Where does the money come from?

Types of Tax Revenue:
The tax burden on citizens needs to be balanced against community needs and what is necessary to finance them. Obviously the most common source of revenue is through your property taxes. State laws often restrict local governments in their ability to raise sales taxes or property taxes without a vote from the public. However, there are other tools and mechanisms in place that allow a city to raise tax revenue.

Internal taxing districts are preemptive funding tools. Taxing entities within city boundaries like Tax Increment Financing (TIF) districts or Transportation Development Districts (TDD) provide a significant portion of municipal financing. TDDs are intended to

finance transportation infrastructure and improvement through increased sales taxes. TIF districts use the anticipation of economic stimulus and future gains in taxes to fund significant improvement projects that are intended to create the gains in taxes collected. Other taxing mechanisms include:

- **State and Federal Funds-** In Minnesota, the state contributes to the municipalities through funds appropriated by the legislature in the form of grants, assessments, or by matching funds raised through means such as FDDs. A city government will receive federal funds for economic developments, special projects, or mandates funded through the state.

As a city council member, consider some ways to raise revenue from sales taxes for the city without raising the tax rates. Ask, "How can economic development be achieved through means that only use the current allocated funds?"

Types of Non-Tax Revenue:
City government also has a significant ability to raise revenues through non-taxing measures. A few of the most common methods are:

- **Utility rates:** A vast majority of cities offer municipal water, electric, or gas services that require a charge or rate to the public. Some cities also provide Internet or television cable services as part of city utilities.

- **Investment Earnings:** Any funds not immediately needed by the city may go into interest-bearing savings accounts, certificates of deposit, or other investment instruments, depending on state law.

- **Parking meters and traffic violations:** As anyone who has received a ticket can tell you, the city can glean extensive funds from collecting on traffic citations and metered parking fees or fines.
- **Licensing and fees:** Non-tax revenue sources include fees and licenses, such as local licensing for selling beer and liquor, bicycle licenses, building demolition and removal fees, restaurant inspection fees, city records copying charges, tree removal fees, regulation or code enforcement fees, and many others.

Some of the licensure and fees may be arbitrary or they may not pay for themselves after administrative costs are considered. Closely evaluate the revenue received by these non-tax sources to determine how and where the funds are used. It may be more beneficial to do away with or lower the fee and find an alternative way to fund or redistribute current funds. See the "Reforming Local Government" section for more methods and suggestions on restructuring and allocating funds.

Where is the Money Going?

Funds are allocated in many ways, often

by the judgment of department heads. There are major expenditures in city budgets that could use a closer look to ensure that the expenses are *necessary*.

The Minneapolis City Government provides full time employment to approximately 5,300 people, and about 600 part-time employees. Total employment cost is roughly $303,578,928 annually spent on employing less than 6,000 individuals. The average employee at that rate would make $51,454. This figure does not include state health insurance costs and other insurance benefits for city employees.[5]

A typical city employee benefits package includes but is not limited to the following:

- Paid Holidays
- Paid Vacation
- Paid Sick Leave
- Health Insurance- In most cases, the city pays for all single premiums and 2/3 of family premiums. These plans include options for vision and dental.
- Retirement Plan, including life insurance and disability
- Supplemental Retirement
- Death Benefit
- Uniforms and other work-related costs

An employee's position and type of employment does affect variations in the benefits package. A city employment benefit package may include elements that are not needed, or are considered to be "extras" in the private employment sector. Retrieve a list of city employees, their salaries, and the full benefits package in your city and determine if the cost of employment is inefficient in any way. Is there an area that may be modified or changed to still deliver full benefits but through different means? As a city council member, you can help make city employment *better* and *more efficient*. Projects, services, and employment are not the only areas where city funds are appropriated. Many standard-size cities own between 50 and 150 vehicles, if not more. Generally, these vehicles cost an average of $20,000 each (not including vehicles such as fire trucks and construction equipment). Additionally, the organizational dues that cities pay to groups such as the National League of Cities, state industry associations, and government employment associations cost thousands of dollars of taxpayer money each year. Cities can easily spend anywhere from $1,000 to $10,000 in association dues and participation costs. Some cities truly exceed "necessary" memberships by spending around $50,000 on membership dues and an additional $30,000 on services and the organizations' lobbying.

A significant portion of budget funds also go to anything included in the CIP (Capital Improvements Program) fund, or a similar five-year funding pool. Fortunately, a CIP is something that can easily be monitored or evaluated. In some

cities, almost 20 percent of operating funds are allocated to the CIP in addition to alternate funds and financing sources.

Knowing where to appropriate money and how to raise adequate funds may seem like a daunting task. The tenets of the free market and individual liberty will help city council members focus on fiscal responsibility and on adequate, but not unnecessary, appropriation of funds.

Who is Managing the Budget?

As a city council or commission member, your job is to analyze finances and approve a budget each fiscal year. Accepting the overall budget includes approving detailed budget proposals from each of the municipal departments. Examining how the departments are spending and managing their funds will give you insight into what changes can be made.

In most city government models, each department is responsible for managing its own budgeted funds. Unfortunately, those funds are not always allocated well. For instance, a public works department may have a significant amount of money allotted to it in the budget through the Capital Improvements Program. A city council-manager government model might allow that money to be used for a faulty or failed project if there is no oversight from outside the department. The council has little to no authority over the distribution of those funds once they are allocated to a certain department. The city manager has to answer to the council, but only after the fact. Departments with a record of consistent wastefulness should be more accountable to the city council not only through the city manager, but also through fund allocation. It is never appropriate for unelected city workers to handle funds irresponsibly and not be held accountable to the taxpayers through the council.

Transparency

Holding the government accountable for its actions is a fundamental tenet of the United States political system. Transparency refers to the extent to which governments provide information on their operations, finances, and laws.

It is important for a city council member or any municipal official to be held accountable by the constituents. By creating a higher degree of accountability to the people, we maintain a free society and a more representative government. Transparency at the local level is integral to responsible fiscal policy and effective operation. If city council members have a good grasp on where the money comes from and how it is spent, they will be better able to make effective financial decisions for the community. Open meetings and records are also essential. It is paramount that taxpayers are able to see and understand how the government is operating and where their money is going.

Transparency in Meetings and Records

Most states have an open-meetings provision, which is a primary source of transparency for municipalities. In Minnesota, The Minnesota Open Meeting Act, states that all meetings of public bodies, shall be held at specified times and places which are convenient to the public and shall be open to the public. Binding action by the council may only be taken in public. An executive session is one of the only exceptions to the open-meetings standard in city council activities. Other open meetings include public hearings and appointments to boards and committees.

Many cities hold open budget workshops during preliminary budget procedures so that the public can participate more directly in the allocation of city funds. Some city councils even have the power to direct city employees to conduct public workshops regarding their department operations. It is important that city councils encourage the public, especially their constituents, to participate. (However, few citizens take advantage of public meetings and even fewer actively participate.) St. Paul among other cities has consistent coverage of government business through online broadcasting (webcasts). Live webcasts can be seen during city council meetings and hearings, and they are also archived for viewing at any time.

Records maintained by the city are also to be transparent to the public through state open-records laws (for example, the Minnesota Data Practices Act), which mirror the Federal Open Information Act (FOIA). However, records are not always accurately kept, organized, or released when requested by citizens. This is a major problem in local government. Poor records—or a lack of records altogether—may be a signifier of irresponsible government action. Your city should have a reputation for clean and open business dealings that benefit the public—not for behind-the-scenes dealings that benefit bureaucrats. As a city council member, you can promote transparency by being aware of your city's online standing. You also have the ability to verify that the city clerk is including detailed and accurate information in the council's meeting minutes. Local government activity and information should be open and readily accessible to the citizens.

Fiscal Transparency

Liberty-minded municipal officials are conscious of the taxpayer's money and understand where and why it is spent. They can also effectively communicate such information to constituents. But in a nationwide survey commissioned by the Association of Government Accountants, ***only 5 percent of those surveyed said that their government met their expectations for openness and honesty in spending practices.*** Additionally, 71 percent of respondents said they not only think government accountability is important, but said that transparency information

would influence their vote.[6] In some instances, such as in the case of bonuses given to public employees in Sandy, Utah, government officials will even go to court before they give information to the public. Utah recently passed a bill to facilitate more openness in local government by forming the Utah Transparency Advisory Board, which will work to make all state financial information available through a public website. Other states such as Texas, Kansas, and Oklahoma have similar projects for state transparency. Minnesota doesn't have an advisory board, but its laws provide more transparency than most.

Transparency may be increasing within state governments, but it should also be required on the most local level—in municipal government. To further promote state transparency and apply it to the local level, the Sutherland Institute in Utah is putting information into the hands of the citizens. They have produced the work *Transparency in Government* and "Transparency Too: A Clear Case for Transparency Including Local Governments and School Districts" as informative public tools. Non-profits and state-based think tanks are trying to hold municipal governments accountable for spending. Americans for Prosperity is at work in several states and Citizens for Responsible Government has spearheaded a transparent-spending website for the Milwaukee-area.

Fort Collins, Colorado, is one of the few cities and one of the most recent local governments to take the necessary steps to apply open-records and open-budget policies. Most cities post their budgets or council meeting minutes online, but little else. The Fort Collins City Council is working to have a comprehensive online database in place by the end of Summer 2009 that will promote transparency and accountability for city spending. They are working to make city records and budget documents readily accessible and searchable to taxpayers through their website, www.fcgov.com. Fort Collins is not the first city to come up with such a program and the software has already been developed and is available for purchase.

Transparency and Technology - Make a Difference

City council members have the ability to make notable contributions to the city during their tenure. Keep the budget and the budgeting process wide open. Ensure that the budget and check register are posted online along with other relevant documents so that the public can have appropriate access.

If your city does not provide webcasts and television broadcasts of the meetings, look into providing them. Broadcasting meetings for those unable to attend is a great step toward transparency and is an excellent platform for a city council member. Constituents should be encouraged to attend any budget hearings or workshops where they can participate and have influence.

Reforming Local Government

Municipalities face the same significant questions of property rights and individual liberties as the national and state governments. We need to remember that the true purpose of government is to protect these rights and liberties. Local government has increased to the point at that it touches almost every aspect of community life. Many local services and programs, however well-intentioned, could be provided more effectively through the private sector. The objective of local government is to maintain public safety and infrastructure. When the government is burdened with matters like running the local sports complex, it becomes difficult for it to perform well in more essential respects. It is time to evaluate whether local government is stretched too thin to fulfill its original objectives.

As a city council member, it is important to have a solid understanding of the issues in your local government and community. This requires careful study and

examination. Budget analysis is integral and transparency is key, but after you have considered these, the only path to true reform is to take action.

Increasing Prosperity and Functionality

By improving the effectiveness of local government, tax dollars can be appropriated more efficiently, constituents better served, and the community given the flexibility to develop and prosper. In recent years, all levels of government have been turning to the private sector in order to cut costs. The spread of privatization is essentially grounded in the belief that market competition produces better services and allows for greater citizen choice.

Government-run businesses are exempt from property taxes and other business restrictions, giving them an automatic edge over private business regardless of performance. Government-run operations have a legal monopoly over their services, and thus have little incentive for improvement. Encouraging privatization and transparency from the ground up will help to improve government services at every level.

Privatization can provide more jobs in the community, put more income into the local economy, and improve the quality of life for everyone in the municipality. However, privatization, outsourcing, and similar tenets must be implemented carefully in order to actually benefit the community. Below are some important principles and variables to consider when analyzing the functionality of local government programs and services.

1. **Need:** A city's needs should be determined before anything else. "Needs" include adequate but not unnecessary funding of functions that are indispensable to the protection of the community. Public works, police and fire departments, clerk, treasurer, and other essential personnel are concrete aspects of a city and require adequate funding.

The first step in assessing needs is to learn about the community, the city's organization, and the governing body. Prioritize city needs against extra programs, services, or "wants" of the citizens or local government. Additionally, consider fees and licenses that may be unnecessarily high and whether a cut would still allow the city to have enough operating funds.

If a city program or service extends beyond its basic role or responsibility then consider two things:

- The need for the city to provide the service or program.
- The need of the community to have the service or program.

Once you have established a need for change and have planned strategically, council members need to build support in order to implement these changes. Members of local government should build good relationships with one another, the government employees, and the community. Good relationships and trust will help to build a broad, positive attitude toward innovative changes.

2. **Cost:** Local government should conduct a good analysis of the costs involved in privatizing or continuing a service, including the present operating budget for the service and the employees who are involved (labor, pensions, employee benefits, etc.). Some cost factors should include capital expenses like the facilities, renovation, or equipment necessary to keep the service or program up to date.

The current operating costs for the local government should be compared to the costs involved for transferring the service to a private company. It may be prudent for the government to find other ways to provide a service to the community. Accurate cost comparisons should always be completed, whether the government is looking to partially or fully privatize a service or operation. The final decision must be the one that is best for the taxpayers.

3. **Expertise:** The Theory of Comparative Advantage is typically applied to countries engaging in international trade. However, the principle is completely applicable to local government and the private sector. The theory directly relates to one entity being able to produce something better and less expensively than another, and vice versa, so the products or services can be done by the best but enjoyed by all. If someone in the private sector can run a golf course with more talent and cost effectiveness than the local government, then the private sector should run the golf course. In the meantime, the local government can run and maintain a fire department less expensively and more efficiently than a private company. Both the golf course owner and the local government benefit from a better use of abilities and resources.

Analyze programs to determine how their "expertise," or ability and cost, compares to the expertise of those in the private sector. This may give the community a huge opportunity to grow business and the economy, and to reduce municipal government's costs. It is good for the government and local businesses if they are both able to concentrate on what they do best.

4. **Efficiency:** Another principle that has typically applied to the

economy on a larger scale also applies to the relationship between local government and the private sector. The Division of Labor between the two will help define local government's role more specifically and increase its productivity. One way to do this is to modify or reduce programs, which will encourage specialization of government jobs to increase efficiency and productivity. Simplify the large bureaucracy of local government and specialize services, programs, and even the departments into more specific roles.

Local governments increase their functions to become more all-encompassing as time goes by. This leaves government workers with a more egregious workload and corresponding titles under which they must perform. Instead of creating more government positions, give the private sector an opportunity to increase jobs in the workforce by privatizing.

Do some careful analysis to determine what the core focus of programs, services, and departments should include. Redefine some roles and objectives within the local government and use the same analysis techniques of cost and ability to refine government roles. This will relieve some of the burden on over-tasked employees as well as facilitate job growth in the community.

5. Performance Flexibility: Government often has less flexibility with performance standards and human resources. The local municipality may not be able to hire and pay the type of people needed to withstand or improve the program or service. In contrast, public entities are constantly looking to improve production and quality and have less employment restraints. They have substantially more flexibility in program or service adjustments. Again, it might be prudent to initiate a bid among potential private contractors or businesses to provide a solid comparison of both cost and performance flexibility.

These principles and ideas should be taken into account during the beginning stages of budget revision and development. City council members may also use these variables when they examine the detailed budgets of the departments and the overall city budget proposal.

Method for Analyzing Local Government: The PERM Model

A government that is efficient and responsible earns the respect of the public it serves. Using a liberty-minded philosophy of excellence, accountability, and self-restraint to make decisions will help guarantee that individual liberties and the free market are protected.

The PERM Model is a practical application of the ideas discussed here, and is a model for reform advocated by the Mackinac Center for Public Policy in Michigan. Reforming government can be achievable if council members follow the PERM model—Privatize, Eliminate, Retain, Modify—to promote good government. This allows the local government several options to reach its full potential and fulfill its role in the community. Be active and create effective policies based on the PERM model to focus your local government on better service to the community. If you make a habit of asking the following questions, you will be able to find solutions toward making government services

effective and successful.

Questions to consider:

- Will there be competition in the private sector for this program or service?
- What is the history of this service?
- What are the objectives of this service or program?
- Are the objectives being met, and in what capacity?
- In what ways could/should this program or service be improved? (Analyze cost, function, and quality.)
- How does current government performance compare to that of a potential private company?
- What are some alternative plans for this service or program to function?
- How does this alternative plan compare financially and realistically to the current system?
- How will public employees be affected if this service is modified, privatized, or eliminated?
- Have all the legal questions been addressed?

After local government programs and services have been assessed, the decision can be made regarding future operations.

Privatize: Privatization has been appealing on the international level in countries such as Spain, England, France, New Zealand, Japan, and even Vietnam, among many others.[7] It can be even *more* effective and beneficial to citizens on the local level. Local government should be setting the standard for the state and national governments—not the other way around. Privatizing government can be done in several different ways. Ultimately, it is a method to shift the delivery or provision of services to the private sector when appropriate. Privatization does not remove the basic responsibility of the local government for providing those services to the public.

A local government can *partially privatize* by shifting some elements out of government control. *Outsourcing* is probably the most common form of privatization. In most municipal governments, projects such as building construction, street paving, water or sewage projects, public transportation, and sanitation are put to bid within the community. Some larger cities in states like Kansas are required to put some services and projects to bid (generally those over $10,000).

The *financing of services* can be privatized when the service previously financed through taxation changes to having a user-based fee. The *delivery of the service* may also be privatized when a private company is competitively chosen to contract out a service formerly provided directly by the city.[8] Transferring both production and financing into the private sector is *full privatization*.

In towns such as Salina, Kansas, trash collection and sanitation is a mix of public and private vendors and its public transportation system is provided for by a non-profit organization. In this case,

the delivery of the sanitation services is partially privatized and the financing of public transportation is privatized.

Eliminate: Local government frequently oversees many more programs and services than are required or needed. In this case, the program or service could be fully privatized and no longer under local government control, or it may be so arbitrary that it can be eliminated entirely. The government may eliminate an entire service or program or just a portion of it, in which case the rest can be delegated to more appropriate jurisdictions within the government or private sector.

City governments may have programs such as a Rat Abatement Program (RAP). Columbus, Ohio, reorganized the budget and cut the RAP after determining that the rat population in Columbus was neither a "required public-health function" nor a significant problem any longer.

Another example is Michigan's Equine Monitoring System (EMS). Though it is a state program, EMS and similar programs may also be found on the municipal level. Essentially, some such programs have turned into frivolous data collection or analysis committees that do not contribute essential services to the community. A program like the EMS has no place in a local government structure. Taxpayers should not have to pay for something that is not only beyond the role of government, but is also outside of practical necessity.[9]

Retain: Some local government programs fulfill their role. These services must be cost effective and beneficial to the community and should also pass a thorough analysis of their functionality. Keep consistent records of the objectives for the programs that are retained and regularly assess their standing using the same criteria discussed above. Accountability will keep these local government programs effective in the long term.

Modify: Modifying a government activity is an excellent way to retain a service but still work to improve its effectiveness. Sometimes a few modifications can have a significant impact for the taxpayers and the city itself. Small changes may be all that is necessary, or there could be a need for complete reengineering. A complete analysis will determine what changes would increase the cost effectiveness, productivity, and quality of the program.

Improved Government for the People: One city manager from Fairfax, Virginia, was initially thought to be a so-called "hatchet man" because of his stand against local government waste. However, as city manager, he showed that through careful, thoughtful analysis, big differences could be made. He created task forces within his staff to do an analysis of different services and departments so they could see what changes needed to be made. Though he did end up restructuring city departments and administration, he did so slowly and waited until employees in certain positions

retired before deciding not to hire a replacement. He made sure his employees were getting the jobs done that needed to be done. Employees were no longer doing only the part of the job that favored their strength, nor too many or unrelated tasks. Ultimately, everyone did the correct job and performed better, which made his government more effective in its service to the community. It became a municipal government that the community could trust.[10]

This is an example of decisions made by a city manager, but these ideas can be implemented through policy goals set by the council. City council members and city managers should cultivate a good relationship with each other and promote the same goals for the city.

As a city council member who creates and disseminates policy to the community, do not ignore the precepts of liberty. Strive for a government that is unified in preserving and strengthening individual rights and freedoms.

The Colorado Springs Model

One of the interesting experiments in helping city governments follow a limited government, free market philosophy is the Colorado Springs Model. Under that model, a city will reduce local government involvement in its economy by outsourcing non-governmental functions. Proceeds from the sale of enterprises, re-invested, will put the city on a sound financial footing and help improve its infrastructure, while silencing calls for higher taxes. Lower taxes, less regulation, an improved school system and modern infrastructure will produce more opportunity. Rather than allowing a small group of anti-development activists decide where and how residents should live, the emphasis will be on opportunity, affordability, creativity and choice, rather than regimentation and control. The city will be a magnet for people and companies that share these values. Those implementing the Colorado Springs Model hope that by 2020 all their goals can be achieved. To learn more about the Colorado Springs Model, go to: www.limitedgovforum.org/colospgsmodel.html

How to Run for City Council

How to Run for City Council

If you are considering running for your local city council, the first thing you want to do is start attending city council meetings. This will help you understand how a city council functions, what the dominant issues are in your community, and where each council member stands on the issues.

Next, consider the current city council's voting behavior and the subsequent progress of the community. Have taxes been increased recently? Is ongoing construction a concern for local business owners? Are there other issues that you feel voters care about but that the current city council has not adequately addressed? These will help you to understand the district and the issues that matter to your city.

The Logistics

Filing for Office

Candidates filing for their city council

generally file at the city clerk's office or county election office. A filing fee and report fee may be associated with your filing (amounts differ by city). In Minnesota, the fee is usually $2. A candidate may file by petition in lieu of a filing fee, but a report fee is usually still required. Petitions must be signed by a percentage of the registered voters in the city, which varies by the city's population. Check with your local election official to ensure that you meet the requirements for filing by petition. After the petition form has been completed and properly signed, it must be filed in the office of the city clerk by the filing deadline.

Finance Forms
Typically, municipal elections do not require or necessitate large amounts of campaign money to be successful. However, under Minnesota campaign finance laws (Minnesota Statutes Chapter 211A) campaign reports for county, city, township, school district, and other political subdivision offices are filed with the filing officer for the office. Judicial offices are considered to be state offices and file campaign reports with the Minnesota Campaign Finance and Public Disclosure Board. An initial report must be filed within 14 days after a candidate or committee raises or spends more than $750. Additional required reports must be filed once an initial report is filed. [11] Please check with your county election officer for official regulations and deadlines as dates and additional rules may vary.

The Campaign

Focus on what matters most to the people in your district and consider ways to solve the problems they are facing. Remember that city council elections historically garner very low turnout, so you will need to convince your constituents that the election matters if you want them to vote for you.

The Organizing Meeting

This meeting should include any city council members who share your views, prominent leaders in your area, family and close friends, fellow association, church or club members, or others with whom you are connected in the community. With your committee, consider the following:

- Study previous spring elections to determine how many votes you will need to win. These statistics are available from the county election office or city clerk, or from the Election Commission or Secretary of State.

- Target key precincts or areas of your district in which to campaign.

- Hold coffees in your district in the homes of prominent neighborhood leaders to meet voters and make your campaign visible.

- Design and print your campaign literature, including palm cards and yard signs.

- Conduct Get Out The Vote (GOTV) drives in the last 72 hours before the election. This is particularly important for city council elections because turnout is so low historically.

Make Connections and Gather Volunteers

No one knows you better than your family and friends, so they are your first source of volunteers. Then consider any associations that you belong to, whether they are civic, church, or community groups. Do not forget about students from nearby colleges and universities as well, as they are often eager to gain experience. As you campaign, be on the lookout for potential volunteers as you're meeting with voters. Many candidates are surprised by how many voters will offer to help. Be sure to have a card with you to take down their contact information so that you can connect them with your campaign.

Message and Press

The campaign message is the most important and integral aspect of any campaign. To build your campaign message, you must understand three key things:

1. **Why are you running?** Think about the qualities that you offer and how they make you the best person to serve on your city council.

2. **Who are the voters?** Think about what the voters care about and what they know about you.

3. **What do the voters need to know in order for them to do what you want them to do?**

Your answers to these questions comprise your campaign message. This will be the message you consistently present in all your communications, whether they are postcards, mailings, buttons, brochures, yard signs, press releases, or speeches. Prepare yourself to be interviewed by members of your local press, including newspapers and radio and television stations. If you receive a call from a reporter and you are not ready to answer questions, feel free to tell the reporter that you will return his or her call, giving yourself time to research the issues before conducting the interview. Remember that once you start talking, you are on the record—even if you are told that you are not. Be succinct and honest, while remaining courteous.

Fundraising

No campaign can survive without fundraising. Begin raising money as soon as you announce your decision to run and be certain to follow all legal requirements for reporting financial contributions to

your campaign. Your treasurer should handle most of this.

Local campaigns do not always require extensive fundraising, but you must be able to raise a substantive amount of money in order for your campaign to be viable. Before you begin fundraising, determine how much money you need to raise by looking at the typical amount spent on a council race in your city and at the expenses you will incur in the course of your campaign. How much will literature (palm cards and brochures) cost? How many yard signs will you need, and how much will they cost? How much will postage cost to mail to your district? Whatever the total cost that your campaign will incur should be your fundraising goal.

Your Ground Game

In city council elections, few things are as effective as door-to-door campaigning. Local campaigns are fought and won on the ground.

Create a "walk list" by using the voter lists that can be obtained from the election office. As you go door-to-door, make sure to record the names of the people you're speaking with and give them literature about your campaign. If a voter seems supportive, ask the voter if you can place a yard sign in his or her yard. Keep track of who agrees to do so, and be sure to come back with a yard sign to place in their yard.

One excellent way for candidates to meet with numerous voters at a time is to attend candidate coffees in neighborhoods around the district. Ask friendly members of the community to host a small (10-15 person) coffee in their home to allow you to meet with multiple voters at one time. This can be highly efficient and effective.

For more ideas on how have the best campaign for office, and how to have an effective team of volunteers, make sure you read the American Majority Candidate and Activist manuals at www.americanmajority.org**, as well as the other materials posted on the Training Materials page.**

Footnotes

[1] The U.S. Census Bureau website has excellent data sources and overviews for municipal government size and employment.
[2] http://www.bea.gov/regional/spi/action.cfm
[3] http://www.lmnc.org/media/document/1/mvhc101.pdf
[4] http://www.stpaul.gov/DocumentView.asp?DID=3596
[5] http://www.city-data.com/city/Minneapolis-Minnesota.html
[6] Survey commissioned by the Association of Government Accountants, February 2008.
[7] Poole, Robert. *Privatization: Providing Better Services with Lower Taxes.* This article was published online through the International Society of Individual Liberty and in association with the Reason Foundation.
[8] Wertz, Richard D. and Charlie Tyler. "The Privatization of Local Government Services: A Growing Trend" *The South Carolina Policy Forum Magazine*, Vol. 8.2 (Spring 1997): 30-41.
[9] Mackinac Center for Public Policy, http://www.mackinac.org/article.aspx?ID=5303.
[10] Denhardt, Robert B. and Janet Vinzant Denhardt. *Leadership for Change: Case Studies in American Local Government.* PricewaterhouseCoopers: 1999.
[11] http://www.sos.state.mn.us/home/index.asp?page=234

Connecting with American Majority

American Majority has several means of connecting with you as you begin to be involved with social media. Utilize the American Majority website as a tool for getting started and a resource as your projects develop.

Website: www.AmericanMajority.org

Check out the latest American Majority blogs and podcasts which are highlighted at the bottom section of the American Majority home page.

Join us on our social networking sites:

Facebook© : **http://www.facebook.com/pages/American-Majority/21863249730?ref=share**
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Plurk© : **http://www.plurk.com/user/AmericanMajority**
LinkedIn© : **http://www.linkedin.com/in/AmericanMajority**

AMERICAN MAJORITY

The American Majority Online Community:

To be a part of the American Majority Online Community and have access to more presentations, blogs, podcasts, and community forums with like-minded individuals follow these steps:

1. Go to AmericanMajority.org
2. Under "Member Login" section of the homepage, click "Register."
3. Fill out the information and submit.
4. Go to your e-mail and click the confirm link.

NOTE: It is very important that you provide your real name when registering because we must know who you are to grant you access.

After logging in under the "Community" section on the American Majority website, you will have access to all the content in the online community. If you have any questions, please e-mail MN@americanmajority.org.

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